

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Petition of Boston Edison Company and
Commonwealth Electric Company, d/b/a NSTAR
Electric, for Approvals relating to the Renegotiation
of Purchase Power Agreements with
Northeast Energy Associates Limited Partnership

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D.T.E. 04-85

ATTORNEY GENERAL'S THIRD SET OF
DOCUMENT AND INFORMATION REQUESTS

The following are the Attorney General's Third Set of Information Requests in the above captioned proceeding.

INSTRUCTIONS

1. These Document and Information Requests call for all information, including information contained in documents, which relates to the subject matter of the requests and which is known or available to Boston Edison Company and / or Commonwealth Electric d/b/a NSTAR Electric or to any individual or entity sponsoring testimony or retained by the Company to provide information, advice, testimony or other services in connection with this proceeding.
2. Where a Request has a number of separate subdivisions or related parts or portions, a complete response is required to each such subdivision, part, or portion. Any objection to a Request should clearly indicate the subdivision, part, or portion of the Request to which it is directed.
3. If information requested is not available in the exact form requested, provide such information or documents as are available that best respond to the Request.
4. These requests are continuing in nature and require supplemental responses when further or different information with respect to the same is obtained.

5. Each response should be furnished on a separate page headed by the individual Request being answered. Individual responses of more than one page should be stapled or bound and each page consecutively numbered.
6. Each Document and Information Request to "Please provide all documents..." or similar phrases includes a request to "identify" all such documents. "Identify" means to state the nature of the document, the date on which it was prepared, the subject matter and the titles and the names and positions of each person who participated in the preparation of the document, the addressee and the custodian of the documents. To the extent that a document is self-identifying, it need not be separately identified.
7. For each document produced or identified in a response which is computer generated, state separately (a) what types of data, files, or tapes are included in the input and the source thereof, (b) the form of the data which constitutes machine input (e.g., punch cards, tapes), (c) a description of the recording system employed (including descriptions, flow charts, etc.), and (d) the identity of the person who was in charge of the collection of input materials, the processing of input materials, the data bases utilized, and the programming to obtain the output.
8. If a Document and Information Request can be answered in whole or part by reference to the response to another Request served in this proceeding, it is sufficient to so indicate by specifying the other Request by participant and number, by specifying the parts of the other response which are responsive, and by specifying whether the response to the other Request is a full or partial response to the instant Request. If it constitutes a partial response, the balance of the instant Request must be answered.
9. If the Company cannot answer a Request in full, after exercising due diligence to secure the information necessary to do so, state the answer to the extent possible, state why the Company cannot answer the Request in full, and state what information or knowledge is in the Company's possession concerning the unanswered portions.
10. If, in answering any of these Document and Information requests, you feel that any Request or definition or instruction applicable thereto is ambiguous, set forth the language you feel is ambiguous and the interpretation you are using responding to the Request.
11. If a document requested is no longer in existence, identify the document, and describe in detail the reasons the document is unavailable.
12. Provide copies of all requested documents. A response which does not provide the Attorney General with the responsive documents, and requests the Attorney General to inspect documents at any location is not responsive.

13. If you refuse to respond to any Document and Information Request by reason of a claim or privilege, or for any other reason, state in writing the type of privilege claimed and the facts and circumstances you rely upon to support the claim of privilege or the reason for refusing to respond. With respect to requests for documents to which you refuse to respond, identify each such document.
14. Each request for information includes a request for all documentation which supports the response provided.
15. Provide three copies of each response.
16. The term "Company" refers to Boston Edison Company and / or Commonwealth Electric Company d/b/a/ NSTAR Electric Company. Unless the request specifically provides otherwise, the term Company includes all witnesses, representatives, employees, and legal counsel.
17. Please furnish each response on a separate sheet of paper, beginning with a restatement of the question.

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D.T.E. 04-85

ATTORNEY GENERAL'S THIRD SET OF
DOCUMENT AND INFORMATION REQUESTS

The following are the Attorney General's THIRD SET of discovery in the above referenced docket.

- AG-3-1 Refer to the response to AG-2-19, electronic spreadsheets supporting the restructured contracts, the worksheet tabbed "Calc." Please explain the purpose of this schedule, the logic of the calculations presented and how it operates. Provide all supporting documents and calculations. Include specific references to contract provisions and other worksheet dependencies
- AG-3-2 Refer to the response to AG-2-19, electronic spreadsheets supporting the restructured contracts, the worksheet tabbed "Schedule 1." Please explain the purpose of this schedule, the logic of the calculations presented and how it operates. Include specific references to contract provisions and other worksheet dependencies.
- AG-3-3 Refer to the response to AG-2-19, electronic spreadsheets supporting the restructured contracts, the worksheet tabbed "Schedule 1.5." Please explain the purpose of this schedule, the logic of the calculations presented and how it. Include specific references to contract provisions and other worksheet dependencies.
- AG-3-4 Refer to the response to AG-2-19, electronic spreadsheets supporting the restructured contracts, the worksheet tabbed "Schedule 5.3." Please explain the

purpose of this schedule, the logic of the calculations presented and how it operates. Include specific references to contract provisions and other worksheet dependencies.

- AG-3-5 Refer to the response to AG-2-19, electronic spreadsheets supporting the restructured contracts, the worksheet tabbed “Supplemental.” Please explain the purpose of this schedule, the logic of the calculations presented and how it operates. Include specific references to contract provisions and other worksheet dependencies. Define the terms: Interim Period Delivery Point, and “On-Peak Basis Adjustment from MA Hub” and explain how they were determined and how they affect calculations.
- AG-3-6 Please explain how and when the “Bid Date Gas Price” is set for each month of the term of the restructured agreement. Provide the source documents for the Bid Date Gas Prices that appear in Schedule 1.
- AG-3-7 Please explain how and when the “Forecast NYMEX Gas Price” is set for each month of the term of the restructured agreement. Provide the source documents for the Forecast NYMEX Gas Prices that appear in Schedule 1.
- AG-3-8 Refer to Article 1 of the Execution Agreement. Under the definition of Adjusted Bid Price Amount it states that Schedule 1 contains “sample numerical values used to calculate a sample Bid Date On-Peak Energy Cost.” Please explain why the Bid Date On-Peak Energy Cost is a sample and not the actual value. Please provide the actual/final Bid Date On-Peak Energy Cost and all supporting documentation, workpapers, calculations and assumptions in both hard copy and working spreadsheet models. If the actual/final Bid Date On-Peak Energy Cost has yet to be determined, please explain when it will be determined and what data will be used to establish the gas prices.
- AG-3-9 Please provide a working spreadsheet models of Schedule 4.1(a) for each restructured and amended agreement that shows the monthly and annual amounts of the support payments for each contract.
- AG-3-10 Refer to Exhibit NSTAR-GOL, pages 17-19. Mr. Lubbock states that the Closing Date Amount represents the difference between what NSTAR actually paid under the existing NEA PPAs and what it would have paid for the same period under the restructured agreements had they been in place April 1, 2004. The forecast of the Closing Date Amount is provided in Exhibit NSTAR-GOL-3. According to NSTAR-GOL-3, the estimated invoice amounts (page 1, lines 7 and 17) are less than the costs under the restructured arrangements (page 1, lines 5 and 15). Please explain how this restructuring generates benefits to customers, given the estimated differences illustrated in NSTAR-GOL-3.

- AG-3-11 Please provide the amount of the initial NEA Bid Price Amount referred to in first line of the definition of Adjusted Bid Price Amount on page 3 of the Execution Agreement.
- AG-3-12 Please explain how Interim Period Delivery Point price shown on Schedule 5.3 (page 449) were derived or otherwise arrived at and provide any documents, or other written or published material relied upon.
- AG-3-13 Please provide an explanation of how the Interim Period delivery quantities shown on Schedule 5.3 (page 449) were derived or otherwise arrived at together with any documents, or other written or published material relied upon
- AG-3-14 Please explain if subparagraph (g) of the definition of “Closing Date Amount” on page 5 of the Execution Agreement is limited to amounts actually paid by the Utilities to NEA under the Power Purchase Agreements for the energy deliveries during the interim period. Alternatively, please explain if the intent is to include all payments received during the month regardless of the service period to which the payment applies.
- AG-3-15 Please provide a recalculation of Schedule 1 and 1.5 (the Adjusted Bid Price Amount and the Calculation Date Adjusted Bid Price Amount) to reflect a closing date of October 29, 2004.
- AG-3-16 Please provide a copy of the agreement(s) with CEA to act as a finder, broker or agent. See Execution Agreement Section 3.5 and Schedule 3.5.
- AG-3-17 Please explain the basis for the use of the discount rate of 7.82% by Mr. Hevert for all contract and bid evaluations.
- AG-3-18 Please explain the basis for the use of the discount rate of 8.1% for determining present value pursuant to the terms of the Bellingham Execution Agreement. See p. 4.
- AG-3-19 Before the auction process, did Boston Edison or Commonwealth obtain the consent required from NEA, or any other entity that was a party to a PPA for which bids were being sought, to assign Boston Edison’s or Commonwealth’s rights in the contract?
- AG-3-20 Please explain how the Monthly Support Payment Price shown on Schedule 1 of each Amended and Restated Power Purchase Agreement was derived or otherwise arrived at.
- AG-3-21 Please provide the total amount of monthly support payments to be paid over the term of each Amended and Restated Power Purchase Agreements. Please provide

a separate calculation for each company.

- AG-3-22 For each Utility, provide a copy of the amounts produced by the calculations required under subparagraphs (b) through (f) of the definition of Closing Date Amount (Execution Agreement, pp. 4-5) for the months of August, September and October of 2004. Please provide a separate calculation for each company.
- AG-3-23 Please provide a copy of the Schedule 1 spreadsheet for each of the Amended and Restated Power Purchase Agreements.
- AG-3-23 Please provide a copy of Schedule 1.5.
- AG-3-24 Please provide the Execution Agreement definition of the following terms with references to all the controlling provisions of the Agreement:
- a. Adjusted Bid Price Amount.
 - b. revised Adjusted Bid Price Amount
 - c. calculated Adjusted Bid Price Amount
- AG-3-25 Please provide an explanation of the operation of Section 5.5 of the Execution Agreement and provide examples of its operation using varying Adjusted Bid Price Amounts which would trigger the elections available to the Parties.
- AG-3-26 Please describe how the benefits of the energy bank are reflected in your calculations of the savings from the NEA restructuring proposal.
- AG-3-27 How will the balances in the Energy Banks be reflected in the Company's retail rates during the term of the restructured and amended NEA contracts? Provide the estimated balance at December 31, 2004 for each existing contract and the payout of that balance to customers. Include all supporting documentation, workpapers.
- AG-3-28 Has the Company considered any unintended consequences that may develop regarding the operation of the energy and capacity markets, the sale of the Bellingham unit, retirement of the unit, etc.? If yes, please provide copies of all documents, presentations or risk and other analyses done that considered the impact of such unintended consequences on the Company and rates paid by the Company's customers.
- AG-3-27 Please provide the heat rate history of the Bellingham unit for the period from the in-service date to the present.
- AG-3-28 Refer to the response to AG-1-1. Please provide copies of all economic analyses

performed to support each amendment.

- AG-3-29 Refer to Schedules 4.1 (a) for each restructured contract. Please explain how the support payments for each contract were determined. Provide all supporting documents, workpapers, calculations and assumptions.
- AG-3-30 Refer to the response to AG-1-13, the spreadsheet models for Mr. Hevert's Exhibit NSTAR-RBH-6. Please provide a step by step explanation of how the NEA Restructuring Price (line 30, Exh. NSTAR-RBH-6, page 1 of 7) was calculated. Include references to specific worksheet cells. Explain why in the electronic spreadsheet model supplied in response to AG-1-13, the NEA Restructuring Price appearing in Exhibit NSTAR-RBH-6 is a fixed amount and not a formula referring to the detailed calculation. If the response to AG-1-13 does not contain complete working models of all of the calculations supporting Mr. Hevert's exhibits, please provide the models that are missing models and describe how the NEA Restructuring Price was determined based on these models.
- AG-3-31 Please explain why there is a list of approved capacity buyers. Can the Company take title to and resell capacity to these entities or others? If not, why? What are the eligibility criteria for approved capacity buyer status?
- AG-3-32 Please explain how the capacity value of Bellingham is accounted for under the provisions of the proposed agreements.
- AG-3-33 Please explain how "UCAP" transactions affect the capacity value of Bellingham as discussed in the response to the previous request.
- AG-3-34 Please explain how the ISO-NE's proposed LICAP market will affect the value of Bellingham unit's capacity as discussed in response to the second previous request.
- AG-3-35 Please explain what, under the ISO-NE or NEPOOL rules, regulations and procedures, the designation of the Company as "Generation Asset Owner" means. What benefits and liabilities have been assumed? How does the proposed restructuring affect the Company's Generation Asset Owner status?
- AG-3-36 Please provide a recalculation of Exhibits NSTAR-BEC-GOL-2 through 4, Exhibits NSTAR-COM-GOL-2 through 4, and Exhibits RBH-5 and RBH-6 using currently prevailing fuel and energy prices for the entire period of the analysis as they effect all contract pricing elements and all market pricing elements.

Dated: November 5, 2004